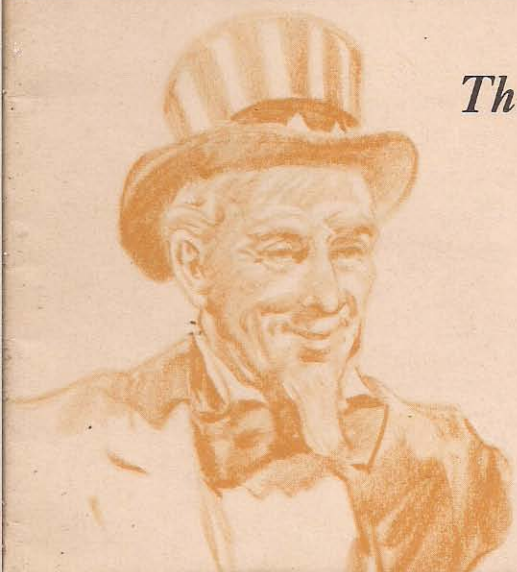


THE MIRACLE OF AMERICA

This booklet tells you:

- ★ *Why Americans live better*
- ★ *How machines make jobs*
- ★ *Why freedom and security go together*

APPROVED BY REPRESENTATIVES OF LABOR AND MANAGEMENT





It all started...

when Junior looked up from his homework:

"It says here America is great and powerful on account of the American economic system. What's our economic system, Dad?"

Dad put his paper down and appeared to be thinking hard.

"I'd like to know, too," Mother put in. "I think in these times *every* American ought to be informed about what makes up the American way of life."

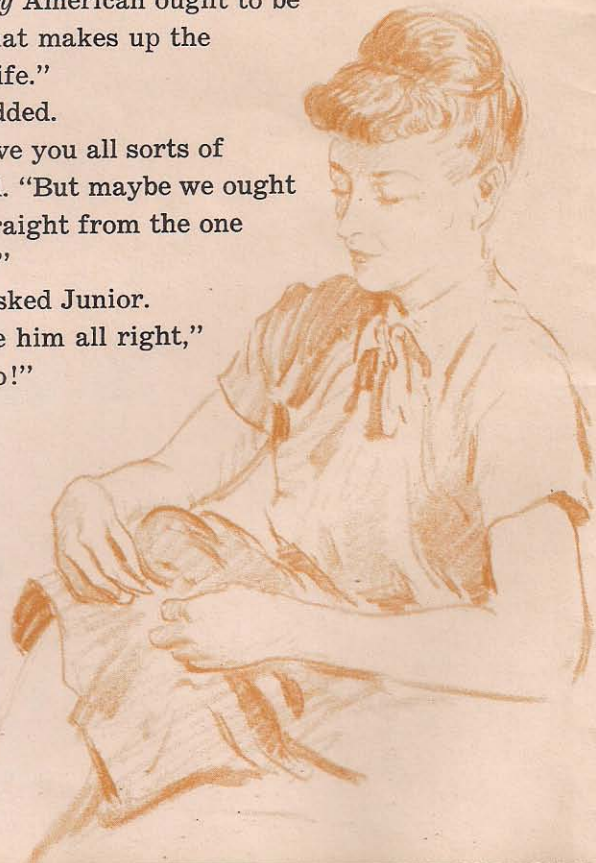
"So do I," Sis added.

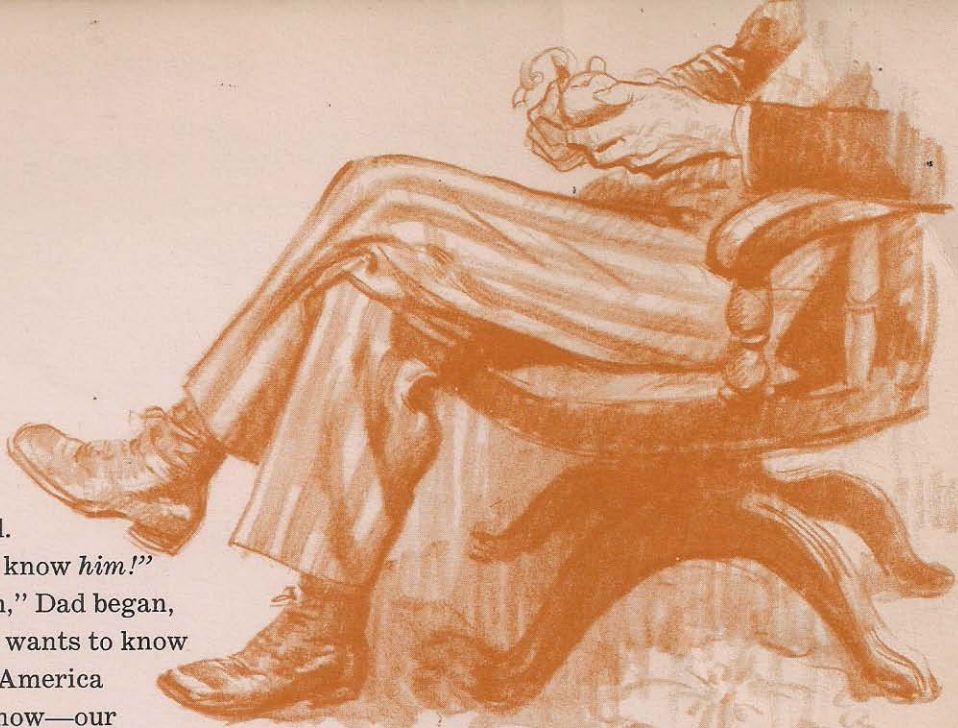
"Well, I could give you all sorts of answers," Dad said. "But maybe we ought to get the story straight from the one who knows it best."

"Who's that?" asked Junior.

"You'll recognize him all right," Dad said. "Let's go!"

So they did...





Junior gasped.

"Gee whiz—I know *him!*"

"Uncle Sam," Dad began, "my boy here wants to know what makes America great. You know—our economic system and all that. Fact is, I guess we all do."

Uncle Sam smiled. "All right," he said. "Couldn't have come to a better place. I suppose the story starts with the *kind* of people we are—originating from many lands, but mostly adventuresome, hard-working and sharing a common belief in God and the dignity of the individual. But let's talk only about the economic part of it...

"How do we make a living?..."

"That's what economics is, you know. The study of how men make a living. Let's go back to the early days.

"Well, like all people in a new country, we Americans needed food, clothing and shelter.

"At first, each pioneer family supplied nearly all its own needs. It was a hard life.

"As long as we lived apart, we had to work from dawn to dark to build homes, raise food and weave cloth.

"But when we began to gather in groups of several families, we found it was easier for each man to do just one thing and do it *well*. One could build houses, another could raise food, a third could weave cloth.

"Then the whole group could have more of everything because each man could produce better and faster."

"Weren't most of the early settlers poor people?" Sis asked.

"Yes, by our standards today," said Uncle Sam. "But for that matter, the greater part of the human race has been poor for ages. In most countries, famine and want are always just around the corner.

*"Even in America
comforts and conveniences
used to be scarce.*

"Only a very few rich people could enjoy the things that today we take for granted. They cost more than the average man could afford.

"Why? Because everything was made by hand—slowly. There was little progress.

"This had been true for thousands of years. Just think—George Washington couldn't travel a bit faster or more comfortably than Julius Caesar did. There had been hardly any improvement in transportation for over 1700 years!

"The daily output of the metal-worker or wood-worker was so low that they *had* to charge high prices for their products.

"Then came the American Revolution, in which we won our freedoms of speech, the press, assembly and religion. Everywhere men were demanding the right to think and act as they pleased.

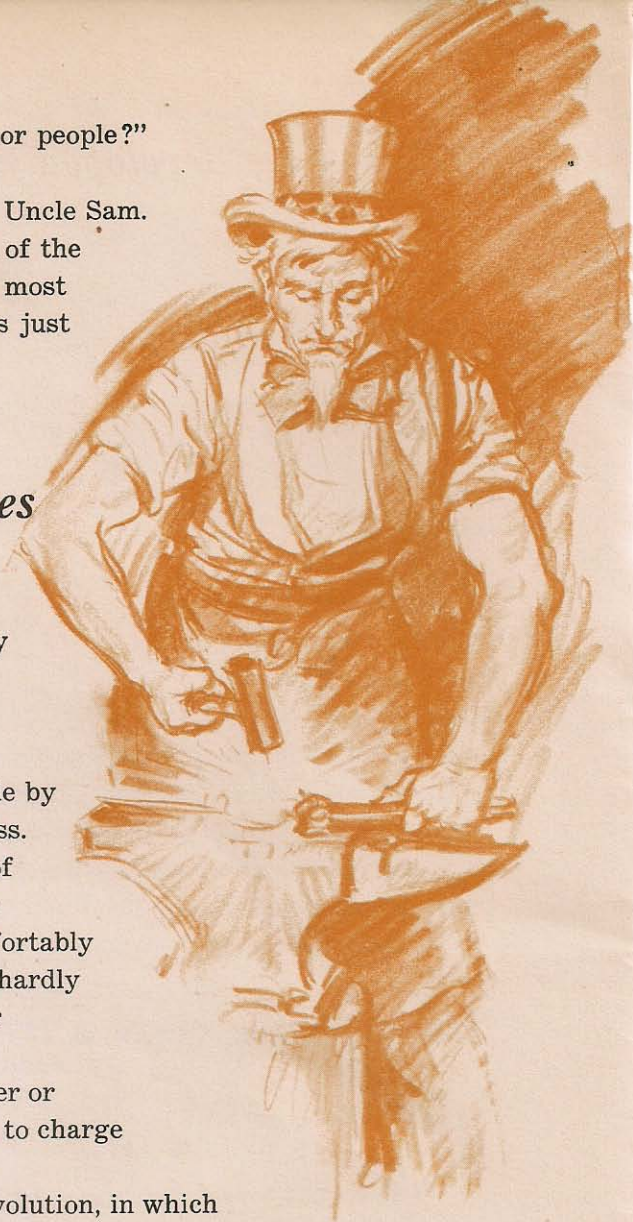
"They wanted a new economic freedom, too. And especially here in America, the land of opportunity, millions *found* it.

"You can't stop a really free people when they put their minds to a problem.

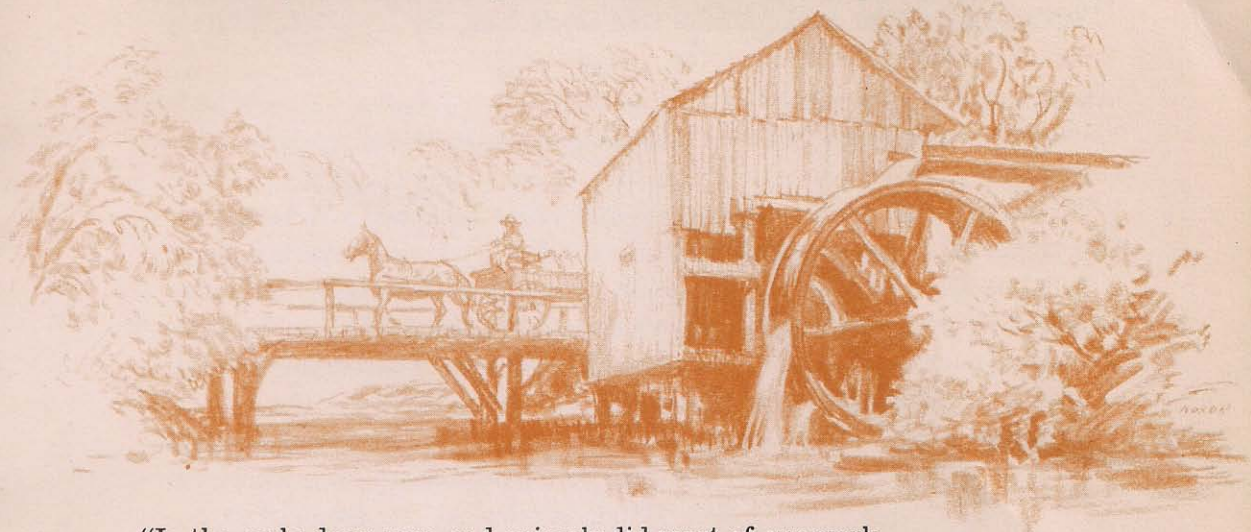
"This time the problem was:

"How could we get more of the things we needed—make them faster and at lower cost?

"We did it in three ways...



“First, we developed new kinds of power”



“In the early days, men and animals did most of our work.

“We even used the wind to run our machines.

“Then we began to use water power to turn millstones and run looms. But in some places no water power was to be had.

“We needed something better. Our inventors and business men kept testing and trying. There would be big rewards in our free market for reliable power that could be used *anywhere*.

“At last we had it — thanks to an ingenious Scotsman — James Watt. He invented an engine driven by steam made from coal!

“Later still Americans developed engines run by gasoline and electricity.

“Now we’re looking for ways to use atomic power.

“Today we use nearly 29 times as much power as we did a century ago.

“Even in 1900, half the work of America was still done by sweating, straining animals and men.

“By 1944, the horse had nearly vanished from our streets. Animals supplied only 2 per cent of our work energy, men only 4 per cent. *Power driven machines had taken over more than 90 per cent of the burden!*

“Year after year, more and more power has been used to run our machines. The cheaper and more efficient that power becomes, the more we can use it and the greater is our production each hour!”

“Second, *we invented and used new machines*”

“Americans are known as inventive people. Why? Because we have had the incentive to profit by making improvements—and backing them with our savings.

“When our people realized that they were free to shape their own destinies, they began to devise machines which multiplied each man’s work power.

“In 1799, Eli Whitney, inventor of the cotton gin that did 50 men’s work, made history with an order for muskets awarded by the U. S. Army. Instead of building each gun separately, he turned out standard parts which could be used interchangeably on *any* gun.

“Hearing of this, the clocksmith Eli Terry started to make clocks on the same principle. With all the laborious fitting eliminated, he found that he could sell clocks for \$10 apiece instead of the regular \$25. In three years, he and his partner, Seth Thomas sold 5,000.

“Eli Terry saw that if he cut his costs by mass production, and distributed a bigger volume more widely, he would benefit more people and make more money. And it worked out exactly that way!

“Pins had long been made by hand, selling as high as 20 cents each. Then a Connecticut man perfected machines to make *two million pins a week!*

“Down through the years, Americans invented hundreds of thousands of work-saving machines.

“Of course, it takes money to make and install those new, labor-saving machines in factories—more money than any one man could afford. A machine for one worker often costs thousands of dollars. So the owner took in many *partners*—thrifty men and women who received *stock* in exchange for their money. All these *partners* joined to form a *company* which they owned together. In order to make a profit in competition with other companies, they had to turn out better and less expensive products.

“With new kinds of power, work-saving machines and ways of financing them, the American economic system was on the march. But we added still another ingredient . . .”



“Third, we became more skillful at our jobs”

“The same new freedoms that made Americans ingenious and inventive made us better and better workers—no matter what our jobs.

“The planners and managers of industry found new and improved ways of designing factories and work flow—so that goods were turned out more quickly and cheaply.

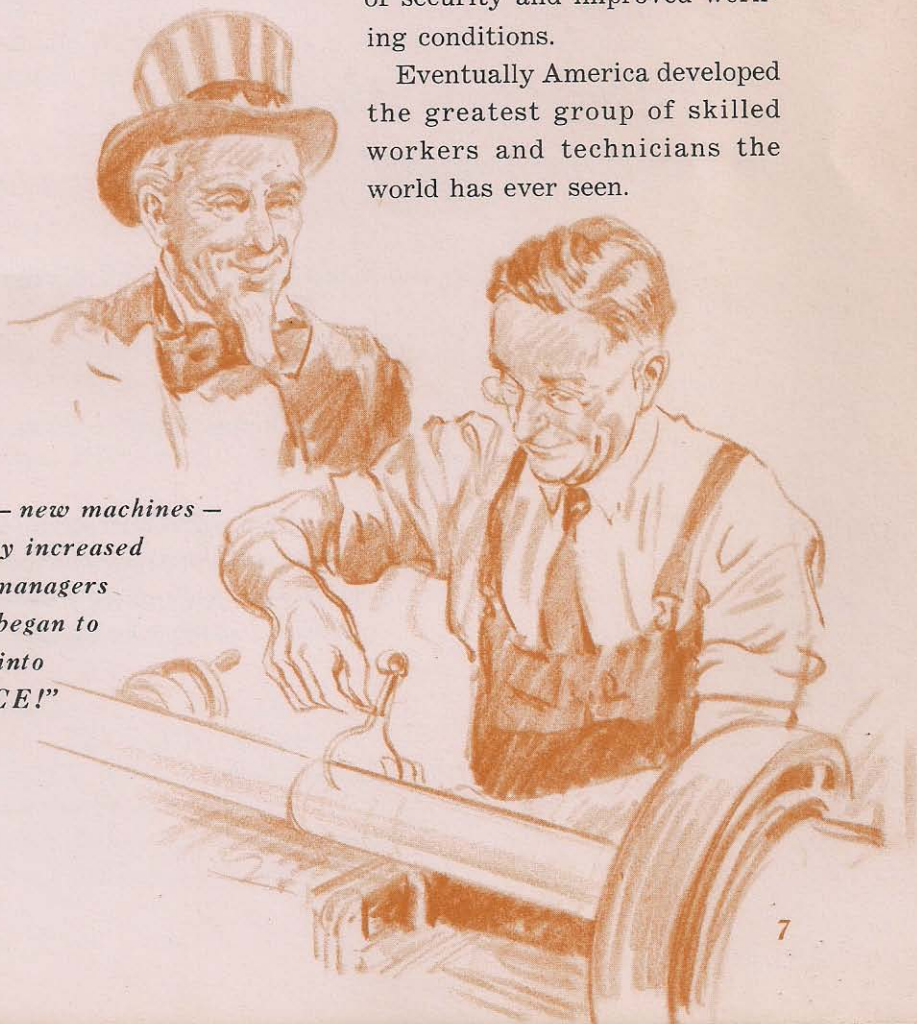
“They found new and better ways to get those goods from the factories to the stores and into the homes. Advertising and selling opened up bigger markets by telling the story to millions.

“And the individual worker became steadily more skillful at his job. He realized that the more he could produce during the hours he worked, the more he would increase his own value. When many workers did that, it added up to national prosperity!

“Labor unions and collective bargaining strengthened the worker’s sense of security and improved working conditions.

Eventually America developed the greatest group of skilled workers and technicians the world has ever seen.

*“New power — new machines —
plus constantly increased
skill of both managers
and workers began to
turn scarcity into
ABUNDANCE!”*



“How have power machines and greater skills affected prices?” — MOTHER ASKED.

“Let’s take one example,” Uncle Sam said.

“Back in 1839, William Underwood made tin ‘canisters’ or cans by hand-soldering at the rate of about six per hour. These were so expensive that they were saved and re-used many times.

“Today, one automatic machine can produce up to 21,000 cans per hour. They cost so little they are used by the millions.

“That’s the way it went. With *better* machines, *more* use of power and *greater* skill, each machine worker could raise his productivity per hour.

“The more units the management-labor team could make per hour, the lower the cost, and the more people could afford to buy them!”

“What have these things done to wages and hours?” — DAD WANTED TO KNOW.

“The hand-worker usually had to toil 12 to 16 hours a day to make a living,” Uncle Sam replied.

“But with machines, he could make products worth much *more* in a lot less time.

“So now he only has to work eight hours a day to make a much *better* living than the hand-worker ever knew!

“Better machines and management-labor cooperation have made it possible to raise wages and shorten hours over the years.”

"Do machines take away jobs?" Sis inquired.

"No indeed!" Uncle Sam declared. "In the long run . . .

Machines make jobs!"

"When the Industrial Revolution began, it went ahead so fast that some hand-workers did lose out to the machines. This usually happens when machines come in. But it's only temporary.

"Soon thousands of new jobs open up! Because that's what always happens in the long run.

"For instance, a million jobs in the horse and buggy business have been replaced by an estimated 6,380,000 new jobs in making, selling and servicing automobiles.

"Today there are more people just *making* machines than were engaged in *all manufacturing* a hundred years ago.

"In the past 70 years, of all the new industries which have sprung up, just 14 of them* give employment, direct or indirect, to an estimated 13 million workers.

"In older industries, the number of workers has increased, too. In the period from 1870 to 1930, jobs multiplied by

"— 6½ times in the glass industry . . .

"— almost 5 times in the food industry . .

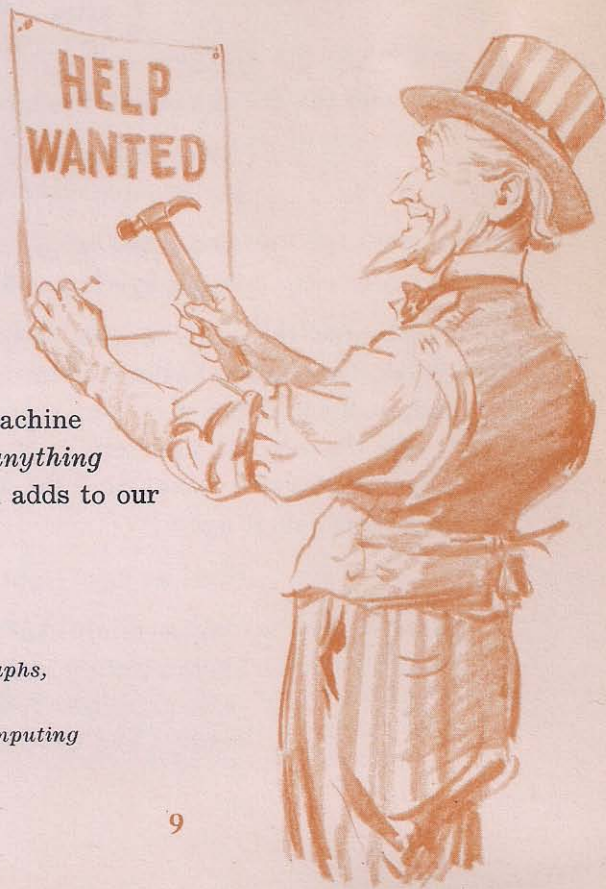
"— over 2¾ times in the textile industry . . . and

"— over 5 times in the lumber and furniture industries . . . while

"— In the same period, population increased only three times.

"Today, most people know that the machine isn't an enemy, it's a friend—and that *anything* which helps us to turn out more work adds to our strength and prosperity.

**Automobiles, Electric Machinery, Rayon Products, Gasoline and Oil, Rubber tires and products, Refrigeration, Radio and Phonographs, Aircraft, Tin Cans and Tinware, Aluminum Products, Ice Cream, Cash Registers and Computing Machines, Lighting Equipment, Typewriters.*



"So you see," Uncle Sam went on . . .

"The mainspring of the high American standard of living is

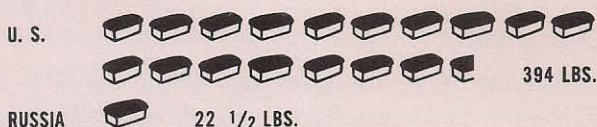
High and Increasing Productivity!

"It is because we Americans *produce* so much better for every hour we work that we *earn* more and can *buy* more.

"This chart at right shows how much an average American worker and an average Russian worker could buy, if *each* spent his whole week's wage for *one* basic food item.

What one week's wages would buy in the U. S. and Russia

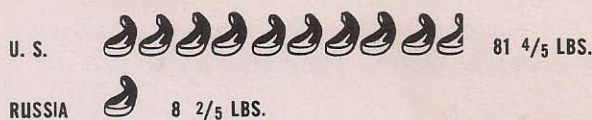
BREAD



...OR MILK



...OR BEEF



Adapted from U.S. News and World Report

"... and the end is not yet. We have learned that *in the long run*

"When output per hour goes up, prices drop, so more people can buy and all of us gain.

"But when output per hour goes down, prices rise, so fewer people can buy and all of us lose.

"Of course, there are unusual periods when these principles don't seem to work—times when business is far above or far below normal. But over the long pull you'll find that these rules of productivity *do* apply.

"On the average, productivity has increased in the United States almost one-fifth every 10 years since 1850. We topped this in the 20 years 1920-1940, and we can do it again!"

"Can we keep right on doing it?" Dad asked.

"We certainly can!" Uncle Sam replied. "If everybody who plays a part in making things will team up to do it, we can raise productivity so far and so fast that we can share the benefits and have real security for *all* our people."

"Freedom and Security Go Together"

—UNCLE SAM ASSERTED.

"Men follow two great impulses—to be politically free and to be economically *secure*.

"In America we have won political freedom and we are winning economic security.

"Dictators promise security if the people will give up freedom.

"But experience shows that freedom and economic security *must* grow together.

"The history of the United States proves it."

STANDARDS OF LIVING IN SOME OF THE WORLD'S LEADING COUNTRIES (The things they are able to buy with what they earn)



"Today the American way of life provides the highest standard of living ever enjoyed by any people in all history.

"This is no mere boast. It is a statement of thrilling fact—that men *can* raise their level of living by greater productivity if they are *free* to do it!"



NOTE: The chart at left is based on pre-war conditions. Latest figures show that the American standard of living has risen until it is now about 10 times higher than that of Soviet Russia.

—From Population Reference Bureau—Washington
"Level of Living of the Earth's People"

“We take abundance for granted” — UNCLE SAM SAID.





“We know that even in the depths of a depression, the people of the United States live better than millions in other countries during *normal* times.

“Electricity, running water, central heating, one house or apartment per family, are quite general in America. To the Russian or Chinese worker, whose whole family is often crowded into one room, with no private kitchen or bath and no central heating, our homes would represent dreams of luxury.

“With only one-fifteenth of the world’s population, and about the same proportion of the world’s land area and natural resources, the United States

—has more than half the world’s telephone, telegraph and radio networks—more than a third of the railways—more than three-quarters of the world’s automobiles—almost half the world’s radios—and consumes more than half the world’s coffee and rubber, almost half of the steel, a quarter of the coal and nearly two-thirds of the crude oil.

“The best measure of what the average American gets of this is in what one hour’s labor will buy. First let’s see how much labor an average factory worker had to give to earn some typical products in 1914, compared with how much it took to earn much better products in 1948.

		1914	1948
MEN'S WORK SHOES		9 hours	3½ hours
BABY CARRIAGE		41 hours	15½ hours
ELECTRIC LIGHT BULB		102 minutes	7 minutes
ELECTRIC FAN		49 hours	4 hours

“Such improvement is practically a law of life here in America. We assume that in the long run things will get better and cost less.”

SINCE 1850
REAL WAGES
UP $3\frac{1}{2}$ TIMES
HOURS A WEEK
DOWN FROM 70 to 40

"Now let's summarize,"
SAID UNCLE SAM,
"And I think you'll agree

"This is Progress!"

"The American System has:

- "1. Increased the real wages of American workers (wages in relation to prices) to three and a half times what they were in 1850.
- "2. Reduced hours of work from an average of about 70 hours a week in 1850 to around 40 today.
- "3. Increased share of the national income paid out in wages and salaries from 38 per cent in 1850 to about 70 per cent today.
- "4. Increased number of jobs faster proportionately than the growth of population. In 1850 out of each thousand persons fewer than 320 were gainfully employed. Today, this has risen to 420 out of each thousand.
- "5. Raised national income (the total of what all Americans take in) from about 7 billion dollars in 1850 to about 215 billion in 1944 (figured in dollars of today's purchasing power).

"HOW? Well, the average worker can produce about five times as much per hour as in 1850 without expending any more energy than he did then. That's why net output of goods and services increased 29 times from 1850 to 1944, though working hours were much shorter and the population only six times greater.

"If we were still producing at the 1850 rate per hour, we would need over 300 million workers, each putting in 43 hours a week, to produce as much as we did in 1944!"

"Even so, we should never get over-confident," Uncle Sam continued.

"Our system isn't perfect..."

"Maybe that's because it's geared to human nature, which isn't perfect either.

"But it is because our American System is realistic—because it satisfies so many deep-down *human needs*—that it is so successful.

"True, we still have ups and downs of prices and jobs. We have a housing shortage. Poverty is still with us.

"But we can solve those, as we have solved so many other big problems, because little by little we are learning more about how to deal with our economic difficulties.

"For example, during the past half-century Congress has enacted anti-trust laws, credit controls, federal insurance of bank deposits, a farm program and mortgage guarantees. A vast system of retirement plans set up by private industry supplements the social security law.

"We are constantly trying to find better solutions. And we will! We're not afraid of new methods.

"Progress is our middle name!"

Dad looked up at Uncle Sam.

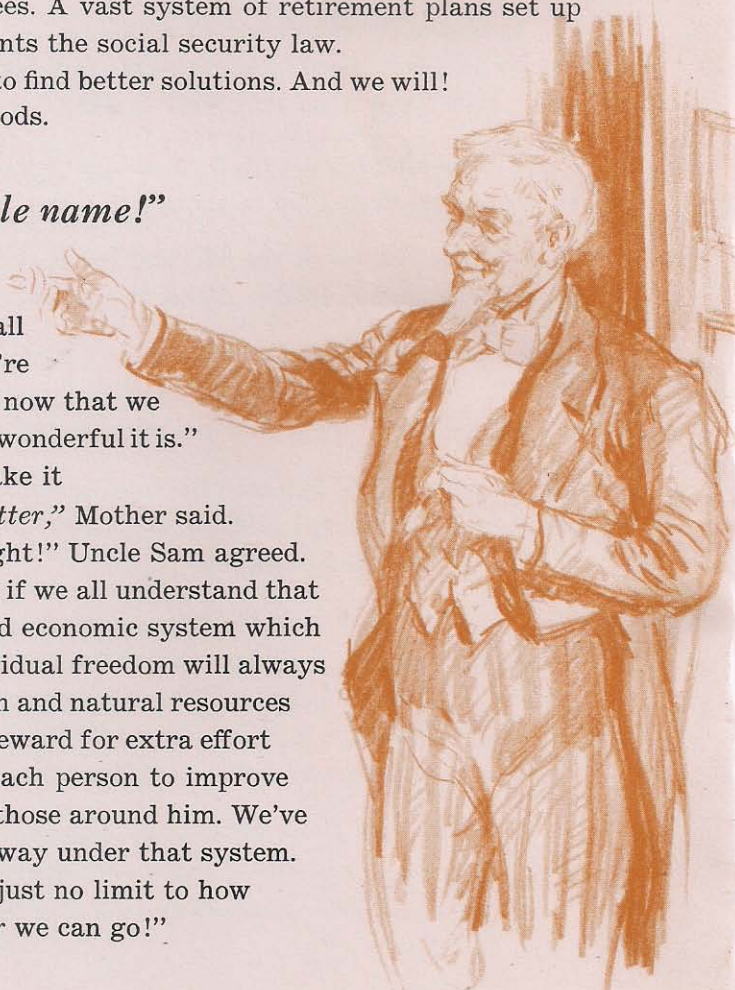
"Well, you sure answered all our questions. And I know we're going to be better Americans now that we know what we've got and how wonderful it is."

"The main thing is—to make it

work still better," Mother said.

"That's right!" Uncle Sam agreed.

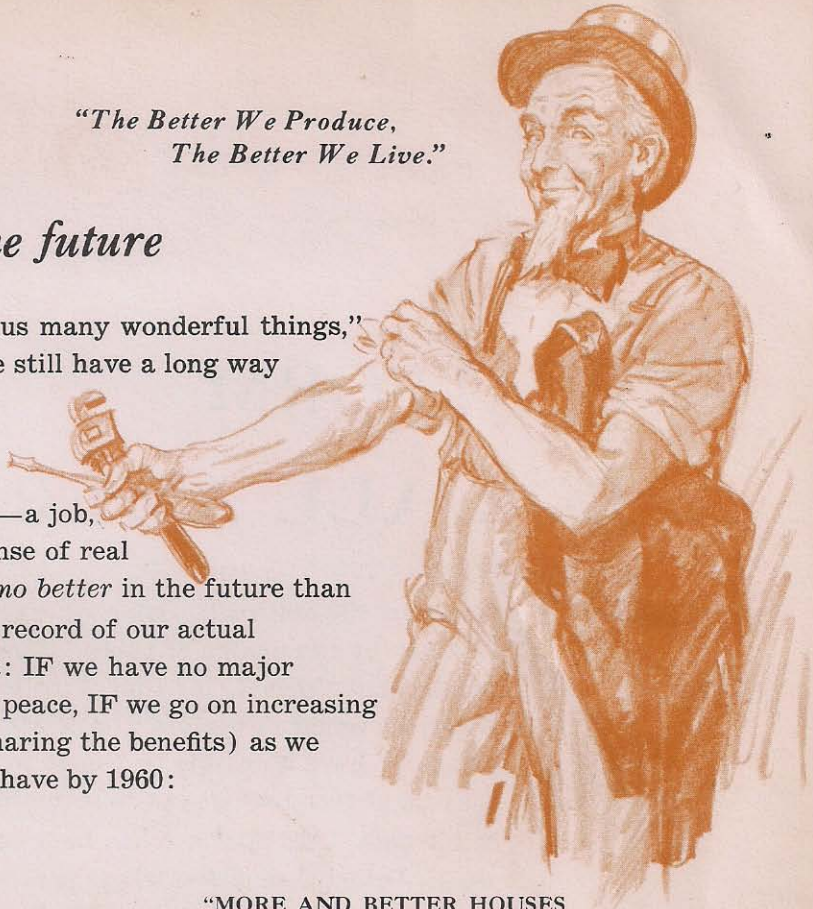
"And we *will* if we all understand that the social and economic system which assures individual freedom will always use its human and natural resources best. Extra reward for extra effort encourages each person to improve himself and those around him. We've come a long way under that system. And there's just no limit to how much *farther* we can go!"



*"The Better We Produce,
The Better We Live."*

Challenge of the future

"Our system has given us many wonderful things," Uncle Sam said, "but we still have a long way to go before every man, woman and child of us can count on what we dream of for everybody—a job, a decent living and a sense of real security. *Even if we do no better* in the future than we have in the past, the record of our actual performance shows that: IF we have no major depression, IF we are at peace, IF we go on increasing our productivity (and sharing the benefits) as we have in the past, we can have by 1960:



"MORE JOBS

About 65 million Americans at work.

"BETTER WORKING CONDITIONS

Shorter working hours wherever increased productivity makes it possible.

"MORE VACATIONS

At least two weeks' vacation for every employed person.

"HIGHER INCOME

Income per person in buying power more than 40 per cent higher than in 1940.

"MORE AND BETTER HOUSES

Over 15 million new homes built.

"BETTER SCHOOLING

At least two years of high school for every child in America.

"MORE AND BETTER FOOD

Better average diets: More milk, fruits, vegetables.

"GREATER SECURITY

Three and a half times more money available for old-age and unemployment insurance than in 1941.

"But we ought to be able to do even better in the future than we have in the past. If we all work together to increase our productivity, then we can spread its benefits through increased wages, lower prices, shorter hours, more jobs and better collective bargaining, as well as a sure, adequate return to investors and owners. Only in this way can we hope to level off the ups and downs of prices and jobs, lessen the chances of recurring depressions, reduce industrial disputes and enjoy the good things for all which our economic system *can* give us!"



PLATFORM FOR ALL AMERICANS

Here is a 10-point platform on which all Americans can stand. It is part of a campaign of public information conducted by The Advertising Council, Inc., for a better understanding of the American economic system. The points are really goals or ideals which we have been able to realize in varying degrees. But in the case of every one we can do better in the future than we have in the past. This platform has been endorsed by the Council's Public Policy Committee, whose present members are listed on page eighteen, and who represent all walks of our national life.

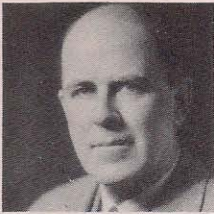
1. Freedom of the individual to work in the callings and localities of his choice.
2. Freedom of the individual to contract about his affairs.
3. Freedom of the individual owner of property to start and manage an enterprise, to invent and profit, to invest, to buy and sell in a free market—insofar as this freedom does not conflict with the public interest.
4. Freedom of the individual to speak, to inquire, and to discuss.
5. Protection for the individual — by public or private means — against the basic hazards of existence over which he may have no control.
6. Government action in economic affairs when necessary to ensure



national security or to undertake socially desirable projects when private interests prove inadequate to conduct them.

7. Freest possible competition consistent with the public welfare—and no uncontrolled monopolies of any kind.
8. Free collective bargaining—the right of labor to organize and to bargain collectively with employers.
9. Expanding productivity as a national necessity. American experience has proved that it is in the long-run interest of all:
(a) to pay labor progressively higher wages in relation to prices;
(b) to do this by progressively increasing productivity per man-hour through the application of constantly greater mechanization, power, efficiency and skill in the processes of production and distribution; and (c) to reduce hours of labor and improve real income while increasing the volume of production and distribution.
10. Increased recognition of human values as a prerequisite to better living. As a technological society develops, it inevitably produces a varying amount of industrial displacement and unemployment. While no solution of this problem has been found, the American people have sought to deal with it, not through compulsory assignment of laid-off workers to other tasks but through such devices as unemployment insurance, employment services, vocational retraining, public works, community employment projects, and family welfare programs. But much more remains to be done.

The Public Policy Committee of the Advertising Council approves of this economic education program. Below are the present members of the Committee, who represent virtually every segment of American life—management, labor, religion, education, agriculture, social service, medicine, banking, journalism and law.



EVANS CLARK, Chairman.
*Executive Director,
The Twentieth Century
Fund*



H. E. BABCOCK
*Agricultural
Leader*



DR. SARAH G. BLANDING
President, Vassar College



MRS. OLIVE CLAPPER
Journalist



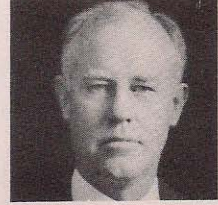
JAMES B. CONANT
*President, Harvard
University*



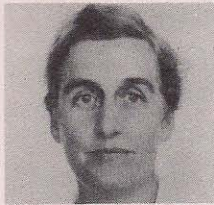
CHESTER C. DAVIS
*President, Federal
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St. Louis*



CLARENCE FRANCIS
*Chairman of the
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Foods Corporation*



ALAN GREGG, M.D.
*Director of Medical
Science, Rockefeller
Foundation*



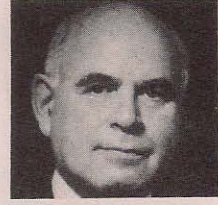
MISS HELEN HALL
*Director, Henry Street
Settlement; President,
National Association
of Consumers*



PAUL G. HOFFMAN
*Former President,
Studebaker Corporation;
Administrator,
Economic Cooperation
Administration*



CHARLES H. HOUSTON
*Legal Advisor to National
Assoc. for the Advance-
ment of Colored People*



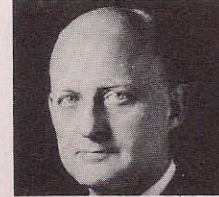
HERBERT H. LEHMAN
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New York and Director
General of U.N.R.R.A.*



A. E. LYON
*Executive Secretary,
Railway Labor Executives
Association*



EUGENE MEYER
*Chairman of the Board
The Washington Post*



DR. REINHOLD NIEBUHR
*Professor of Applied
Christianity, Union
Theological Seminary*



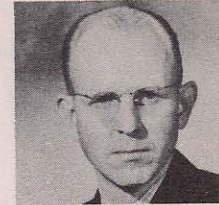
ELMO ROPER
Marketing Consultant



BORIS SHISHKIN
*Economist, American
Federation of Labor*



GEORGE N. SHUSTER
President, Hunter College



ALLAN L. SWIM
*Publicity Director,
Congress of Industrial
Organizations*



REESE H. TAYLOR
*President, Union Oil
Company of California*

This campaign is one of many public information programs

This campaign is one of a number of public information programs conducted by The Advertising Council, Inc., in the interest of a better-informed America.

The Advertising Council is a non-profit, non-political, non-partisan organization formed to utilize advertising in the public service as a contribution by business and advertising to the national welfare. Formed shortly after Pearl Harbor, the Council helped plan and prepare, without charge, advertising for such government wartime campaigns as War Bonds, Food Conservation, Scrap Salvage, Paper Salvage and some 100 others.

Today, the Council is conducting many information campaigns in the interest of a better America for all, among which are U. S. Savings Bonds, Better Schools, American Red Cross, Chest X-Rays, Reduction of Group Intolerance, Traffic Accidents, Forest Fires, etc.

Advertising on Council programs is prepared through the generosity of leading American advertising agencies. The advertising time and space is donated as a public service by American business in magazines, radio, newspapers, outdoor and car cards.

The Council selects only those campaigns which it is agreed, serve the best interests of *all* Americans.



This booklet was prepared for the Council as a public service. It was written by Alton Ketchum, designed by Lyman Beecher Cooper and Milton K. Zudeck and illustrated by Herbert Noxon, all of McCann-Erickson, Inc., who gave their services gratis.

Statistics were largely derived from "America's Needs and Resources," by J. Frederic Dewhurst, and associates of the Twentieth Century Fund.



FOURTH EDITION

(For prices of this booklet in quantity lots, write: The Advertising Council, Inc., 25 West 45th Street, New York 19, New York.)

*"The Better We Produce
The Better We Live."*



BOEING AIRPLANE COMPANY
SEATTLE 14, WASHINGTON

IN REPLY REFER TO

November 6, 1950

To: All Boeing Employees

The Employee Relations Advisory Committee has recommended that the enclosed booklet be distributed as a public service to all employees of Boeing Airplane Company. I concurred in its recommendation for I feel this type of information is valuable to every citizen, particularly so when our world is being challenged by Communism.

This booklet was prepared by The Advertising Council, Inc., a non-profit, non-political, non-partisan organization. Its members represent a broad cross section of labor, finance, industry and government. Its objective is to prepare documents of a type that will best serve the national welfare.

We hope that you and your family will read this booklet carefully and with interest.

Sincerely,

A handwritten signature in dark ink, appearing to read "William M. Allen". The signature is fluid and cursive, with a large, sweeping "W" and a long, horizontal stroke extending to the right.

William M. Allen
President

Enc.

*"The Better We Produce
The Better We Live."*

